

**Transcript of Policy Roundtable with Icelandic Opinion Makers
June 14 with Under Secretary Nicholas Burns**

Ambassador van Voorst: Mr. Secretary, while you were talking to Kastljós, I was talking to our guests here so I think I've already done pretty much an introduction. I've told them who you are, and what we did today and what they can expect this afternoon. I've invited them to give you their most probing questions. So, I would suggest maybe a few words and then we can open it up for general conversation.

U-S Burns: Thank you very much. Thank you for coming. I appreciate you coming down. This is only my second visit to Iceland. I was here five years ago. We had a NATO meeting. I was here with Secretary Powell. We arrived and there were a lot of us from NATO here for four days. There was brilliant sunshine, quite warm, and we all thought it was kind of like Miami Beach in the North Atlantic Ocean. (laughter) So, it's good to be back. I had meetings today with the Prime Minister and Foreign Minister separately. Then we had a lunch together. It was a very good conversation. It was mostly about the future and not a lot about the past. I was interested at the press conference there wasn't a single question, as I remember it, about the base. Not a single one. I expected that to be a great topic of conversation. But instead, with the Prime Minister and Foreign Minister, we talked a lot about climate change, and about what we can do to make a post-Kyoto regime. We talked about energy and alternative energy research to reduce carbon emissions. We talked about strengthening the United Nations and trying to help the UN, particularly in Africa, where the UN is the major institution that's doing peacekeeping and HIV/AIDs and malaria research. We talked about Iceland's candidacy for the UN Security Council; we talked about Iraq, Iran, Lebanon, Israel/Palestine, Sudan, Russia...a lot about Russia, a lot about Afghanistan. It was mostly about what's ahead of us as opposed to what's behind us. I know we've come through maybe one of the most difficult years in the US /Icelandic relationship because we made this decision, and we were together in this drama.. We made this decision that we had to close the base. And I think that was a difficult thing. I was just being interviewed, and the reporter said to me, 'There was a perception that you, Americans, were rude in the way you did it.' And I said that you know, we would never want to give that impression because we didn't feel that. Iceland had not done anything negative. We just felt that time had changed and that the world geopolitical situation had changed and we had to have a more modern sense of a defense relationship. So, this week we are trying to put that into operation. We have a US Navy vessel that arrived in Reykjavik this morning. It's an Aegis class destroyer, the USS Normandy, which is docked in Reykjavik Harbor. It's got a Spanish and German ship with it. It's a NATO naval exercise. And that's an expression of our intention to fulfill the Defense Agreement of 1951. A second example of that is that we are going to send fighter aircraft here in August, along with Canadian, Norwegian, and Lithuanian personnel to have a NATO air exercise and also a Special Forces exercise with the Lithuanians. In 2008, we intend to have a major commitment of that, as well, from the US Defense Department. So, we're going to fulfill our commitments made to the Prime Minister. It's a more modern way of looking at Iceland's defense. We're also negotiating with NATO right now over an air policing regime that I hope the NATO Alliance will agree on by next week for Iceland.

So, I think we're seeing the change happen as we speak. I, for one, think it's a good change, and doesn't diminish the fact that Americans view Iceland in universally positive terms. We have great regard for the country. You have been the best ally one could ever hope to have over the last 60 years. Iceland is also the kind of 'it' country in the United States in terms of popular culture. Leonardo DiCaprio felt he had to come here to do his Vanity Fair cover shoot, which is kind of interesting. (laughter) I think this is a good time in the relationship. I just wanted to begin with those words. I'm happy to talk about anything you like. There are so many reporters here, I guess I'm on-the-record.

Q: Yes, you're on the record.

U-S Burns: And all the none-reporters here are on the record.

Q: How advanced are the plans for defending Iceland if threatened?

U-S Burns: I see that time marches on. Ambassador van Voorst showed me a newspaper ad, advertising the base as a great place for students to live. So, I think that's probably a good thing. In terms of defense, we have a dual commitment: the 1951 Defense Agreement, which is in force and we have recommitted ourselves to it--President Bush has done that, Secretary Rice has done that and Defense Secretary Gates for the United States; we also have the NATO Alliance, and in our Article 4 and 5 commitments if Iceland is ever threatened—that's Article 4 or Article 5, if Iceland were ever to be attacked—it seems improbable in the 21st century, but you never know. And that's why we have an Alliance like NATO. So, we have an absolute commitment to Iceland's security. And we don't shrink from it. We accept it. It's part of the relationship and we have just reaffirmed it over the last year as we reengineered the basic agreement. Is that clear to the people of Iceland or is that still somehow in question?

Q: But there are no concise plans?

U-S Burns: I see what you're asking. No. Actually, what we promised the Government of Iceland is that we would have tangible, visible demonstrations of direct U.S. military support. The arrival of the ship this morning is one of those. The arrival of the fighter aircraft in August will be a second. The exercises planned in 2008 will be a third. And we are supporting Iceland's position in NATO for the air policing. We are together on it. Our Ambassadors are working together on it: Ambassador Gunnarsson, my friend, and Ambassador Nuland, the American Ambassador. Those are four tangible examples of what we would do. I was also asked today by the Government of Iceland if we would consider helping them to think through, strategically, the concept of modern defense. And I said, of course, we would. In fact, when we met with the Prime Minister and Foreign Minister together for lunch it was very much a strategic discussion about the future: how do we think about Russia, relate to Russia, what is the best way for Iceland and the U.S. to contribute to Afghanistan, how can we convince Iran not to become a nuclear weapons power, how do we strengthen the United Nations humanitarian work. We were talking about all these issues. So, I think it's in force right now, and those were practical examples.

Q: Question from the past: You made a very historic phone call last year. The impression that was left was that this is a typical way in which the Bush Administration acts unilaterally and undermines its friends. What is your comment?

U-S Burns: My comment would be the following: remember the context of that phone call. It was a very difficult phone call to make. I thought the Prime Minister acted with great dignity, but it was a difficult one for me to make. You can understand why. We were in the middle of negotiations and those negotiations had broken down at one point. So, this was one of the initiatives within the negotiations; this was not a preemptory unilateral action. We entered those negotiations with a view that we felt there had to be a change from a Cold War era of stationing US forces to a more modern 21st century version of mutual defense. If there is a perception here that somehow our government acted in a rude or unilateral way, I regret that because Iceland is too good a friend to us. We don't ever want to convey that to the people of Iceland. I really have great respect for Prime Minister Haarde as a person. I have gotten to know him. I not only like him but I have great respect for him. We're even graduates from the same school in Washington, D.C. So, I hope the people of Iceland don't think that we acted in an improper fashion, but if people do, I hope they would accept our explanation that we want to be a good friend and show respect. I hope that people will give us a chance and understand that we're trying to do that as we now implement the new defense agreement between the United States and Iceland. Thank you for your question.

Q: By ending the permanent stationing of troops in Iceland, you must realize the influence of America is reduced in this country.

U-S Burns: It's a fair question. But you know what I would say: we have a more modern, mature, equal relationship. When the Ambassador told me last evening when we were driving in how many troops were here during the Second World War, I was really astounded. I hadn't realized the presence was that big. The Cold War was an unusual time in history. We had 300,000 troops in Germany; they were stationed in every German village in southern Germany. We had all these troops in Italy, we had troops in Britain, (and) we had troops in Iceland. And now, we've reduced everywhere because it's a different world. I'm not one of these people, maybe because I'm young enough, I don't yearn for the Cold War. I don't lament the fact the Cold War is over. I think we're in a better world. We now have a relationship between our two countries of much more equality. If there is a threat to Iceland, we will defend you from it. But I'm not sure you need 3 or 4 or 150,000 Americans here to express that commitment. You can take back fully your security into your own hands, knowing that you live inside an Alliance that will protect you as well. It does ask the Icelandic people, government to think about security in modern terms. That's exactly what we've had to do. When I began my career as a diplomat in 1980, it was the middle of the Cold War; we had an East-West view of the world. The threat came from states and empires. Now, the threats come from small groups of people: Al Qaeda or groups like that. They're not states, but they have enormous power to inflict damage. So, we have to think about defense differently. And I think Iceland can be most secure by having a healthy economy, by fitting into a

globalized world, by exporting your human knowledge and by belonging to NATO. I think it's a much more modern way of thinking about defense. So, I don't regret this. I think this was necessary, this change. It was painful, as the professor pointed out, but it was necessary, and I think we'll be better off as equals.

Q: Do you believe Guantanamo should be closed?

U-S Burns: This is a difficult issue for us because there is so much international criticism of the institution there. The dilemma that we have is that we are fighting, and I use that word advisedly, an international terrorist group and groups, that will seek to kill as many of our citizens as they can. So, most of the people in Guantanamo came from theaters of battle. The great majority of them came from Afghanistan in 2001 and 2002. The dilemma you have is that you want to keep them off the battlefield. You don't want them to come back to kill your soldiers or your civilians. On the other hand, I think we have an obligation to treat these people fairly, to treat them humanely under international law and to find a way to bring them to prosecution, to a trial. And we're struggling with that because as you've seen the dynamic in our country, we have a Supreme Court and our court system is now commenting and advising and sometimes ruling on what the government is doing. So, it's an issue we have to handle in the United States inside our own political system. I would hope people would understand that we are dealing with difficult choices. We, of course, are committed to the rule of law and justice. We're a democratic country and we also have to try to integrate that with the modern reality of what it is like to fight a terrorist organization like Al Qaeda and organizations like that. I hope that America can always be on the side of the rule of law and justice; that's our goal, that's our goal in our government and in our country.

Q: Do you agree with former Secretary of State Colin Powell that it should be closed?

U-S Burns: I answered the question exactly the way I wanted. But thank you for the question.

Q: Is there anything specifically, besides the ships and planes coming here, that the US government plans to do, maybe diplomatically, that the USG is doing to manage the relationship between the two countries?

U-S Burns: I would say this and then I would ask Ambassador van Voorst to add to this, if I give a really bad answer. We're your very good friend in NATO every day. (inaudible) We have a delegation here helping now to try to modernize your radar system. We are engaged with you in trying to help you conceptualize your future strategy of defense. We have a commitment to have annual military exercises with you. There's a lot that we're doing. And we're working together politically on issues of common concern to us in the United Nations and NATO. And so, we're a pretty good friend of Iceland. I regret the fact that if a lot of citizens feel we didn't handle this right. Obviously what we want to do is convince them otherwise. And we want to show respect as a friend should. But I do think the United States is a good friend of Iceland and has been a good very friend and will continue to be. Carol?

Ambassador van Voorst: I think you've covered almost everything, but there are also other initiatives that we're taking, for instance, with the Coast Guard, with law enforcement that are very interesting and very important for both countries. And I think you'll see more activity in those fields over the years.

Q: Training?

Ambassador van Voorst: Training, yes, training facilities. And training people bringing them back in the United States and bringing our people here to do some training that they can only do in Iceland.

Q: There's been a debate in Parliament on whether the US has rights to fly into Keflavik airport to support the war in Iraq. The current Foreign Minister says this was a temporary permission.

Ambassador van Voorst: What you're talking about are the overflight and landing rights?

A: Yes.

Ambassador van Voorst: What I would say is that that phase of the war is over. And what we're looking for now is cooperating with Iceland on all the initiatives that Under Secretary Burns was talking about in the Middle East, in building a concrete and a civil and a just society in parts of the world that desperately need that kind of work.

Q: So, if there was an airplane going from the United States with supplies for the Iraqi war, it would not have landing rights here?

Ambassador van Voorst: I think you have to ask the Icelandic government about that.

Q: They have really been unclear on that.

U-S Burns: I would encourage you to think of Iraq as in two phases: there was the first phase where we invaded and we overthrew the government of Saddam Hussein. I was at NATO at the time. Of the 26 governments, 18 supported it, some were opposed—France and Germany, and some were kind of silent. We're now in a very different phase. And you can agree or disagree with that—we felt it was appropriate, other people do not. The phase now is we're not prosecuting a war against Iraq. We're there at the invitation of a democratically-elected government to help them survive against Sunni and Shia terrorists in the middle of bitter, bitter fighting between those groups. I was just in France; I was in Greece before that this week—two governments that were not in favor of the war effort. Both of them are now giving political support and economic support to the Iraqis, contributing to the NATO training mission, as Iceland has done, to train the Iraqi Army. So, I think the stakes are different. I think you have to separate '02 and '03 from '07 because they're completely different actions. There is a UN Security Council mandate

for the presence of our troops in Iraq, as you know. I think when you look at Iraq you have got to look at it with that distinction in mind.

Q: Our Foreign Minister announced that it had changed its attitude on the war, and withdrawn its support.

U-S Burns: She mentioned this to me, one of the first things she mentioned. She's very forthright about it. But I don't believe Iceland is saying it's not going to help the Iraqi government. And I don't believe they are saying they condemn what we're doing. They're not.

Q: The war was based on a false premise, that is, that Iraq had weapons of mass destruction. There was great confidence and trust in the United States.

U-S Burns: I would say this: that it is one thing to have a disagreement over what we did in '02 and '03. It's quite another to try to link that disagreement to what's happening now. They are completely different situations. And, as I said before, our government felt we were right to go in. That was the position of our government. Right now, we're in a very different situation where we're trying to help the Iraqi government survive, stabilize itself. While I certainly respect the Foreign Minister's right to express the opinion of the Icelandic government, I would hope the Icelandic government would be with us in wanting to help the Iraqi government through whatever way the Icelandic government can do it... through political support for the Iraqi government, through economic support for the Iraqi government. I don't think there's anybody at NATO today condemning the United States for what it's doing right now, four years after the war started. Four years, that's a long time. I feel that we're getting a lot of support from the NATO governments as to what we're trying to do right now with 170,000 American troops there. This is not easy for us. We've taken losses. There's tremendous sacrifice for our country to be there. But we believe it's the right place to be. We have to be there to help the Iraqis.

Q: Can you make a difference; is there any exit?

U-S Burns: We have a commitment to the Iraqi government that we will stay. They've asked us to stay to train their armed forces, to try to bring order to the streets of some of the cities, and to try to help secure the borders of the country to try to prevent Syria and Iran from coming in with assistance to the terrorist groups, which both of them have been doing. Iranians have been giving support to Shia terrorist militant groups, and the Syrians, of course, have a very porous border, which they have not defended. So, we have a lot of responsibilities, and those are the right responsibilities for a country like ours to have as a guest of the Iraqis. And we'll do the best we can to help the Iraqis survive the present crisis, consolidate their government and produce a more peaceful society. That's the goal that we have.

Q: How is it progressing?

U-S Burns: We've had great difficulties. There's been enormous loss of life on the Iraqi side and the American side. Yet, we haven't given up. It's interesting. I travelled in the Gulf countries in January, and I travel a lot. There are very few governments in the world that believe we should leave. The advice we're getting from our friends is 'please stay; please stay. Don't allow this situation to descend into total chaos.' That's the advice from a lot of Arab governments and European governments.

Q: With the decision to invade, couldn't you foresee the consequences at the time? Which possible power did you have in the country to rely on when it came to occupation?

U-S Burns: I guess I would respectfully not agree with the logic that because we intervened and it has now become very difficult, we were wrong to do it and we should leave. We went in. We made a decision to go in. Therefore, we confer upon ourselves responsibility. If you go in and invade a country and take down the government, you have a lot of responsibility. It would be easy to leave. We would reduce our losses to our army if we left. But what would that do to our commitments that we made to the Iraqi government to stay and to the Iraqi people to stay and help them. I think a lot of us feel a great responsibility to stay and try to do the best we can possibly do in a very difficult situation. That's how I would answer your question.

Q: Is there a need for continuing the running of Iceland's air defenses?

U-S Burns: I think so. I think the Icelandic government feels there is. We do. We have colleagues here, right behind you, who are here negotiating this and trying to give assistance to the Icelandic government to keep the radar system intact and modernize it to keep it functioning. You know, threats come in all shapes and sizes; they're not the conventional threats of a Cold War. You have a Coast Guard, you have a search and rescue capability; you are modernizing both. And radar is essential in a modern world. It's not just because you're tracking bombers; you're tracking all sorts of things. So, we're hoping to beat the deadline of August 15 and hoping to get an agreement done between our governments that would give you the ability to go forward and maintain the radars.

Q: My question is on Russia. I agree with you I'm glad the Cold War is over. But US/Russia relations are tense. Your views?

U-S Burns: I think we have to maintain calm and perspective on this. You're not going to see the United States engaging in histrionic rhetoric. We're not calling Russia names. We're not making threats. When these rather extraordinary statements are being made by Russian officials, we're not responding because we think it's useless, not very constructive to have a war of words. Point one. Point two, when we disagree with Russia we say it. We disagree with a lot that's happening inside Russia, the lack of democratization, and the centralization of power in the Kremlin. We disagree with the way Russia treats its neighbors sometimes, with the excessive, extraordinarily excessive mistreatment of Estonia, over the issue of the removal of a monument. And, of course, in the past, frequently, the way that Russia has treated Georgia and Moldova. We hope that

Russia will fulfill its commitments to the CFE treaty to withdraw all of its men and all of its military equipment from Moldova and Georgia. On the other hand, we have a balanced approach. I work very closely with the Russian government on Iran. I work with the Russians every week. Russia is our partner in trying to convince the Iranian government not to become a nuclear weapons power. Russia has sponsored sanctions resolutions in the Security Council with us in March and December against Iran. On North Korea, Russia is a member of the six-party talks. So, on the two most important global issues to the United States, counter terrorism and counter proliferation—Iran/North Korea, Russia is a partner. We are not going to return to the Cold War. Russia depends on relations with the West, economically, politically. Russia doesn't have a choice of returning to the Cold War. Neither do we, and neither should we.

Q: So, this is the Russian bear growling?

U-S Burns: Yes, and sometimes when people growl, you just have to ignore them and let your actions speak. On missile defense, for instance. The Russians spent weeks, months, saying there's no rationale for it. And then President Putin said 'Let's put missile defense in Azerbaijan.' Good. There must be a rationale for missile defense if they want to work with us in Azerbaijan. I think we won that point in the long-running debate.

Q: Is that over?

U-S Burns: I think NATO is pretty unified. The NATO foreign ministers met in Oslo in late April, and pretty much agreed that we should study it as a possible NATO option. There are discussions today among NATO defense ministers, and I'm sure missile defense will come up. I think we have pretty strong support in Europe for the concept. It's not offensive. It's not provocative. It's defensive. You have to be smart about long-term threats. Iran has a Shahab-3 missile that can reach a great distance if they develop that further in the next decade it can be quite an important capability that you would want to have a defense against. Missile defense is a new, relatively new concept. But we've been using Patriot missiles for a good 16-17 years now. The Israelis have, the Japanese, Greeks have it. This is normal technology now. We're working with the Indian government on missile defense research, and Japan, I think I mentioned. This is not something that is uniquely American. Lots of countries want missile defense. Guess what country pioneered missile defense? Russia. They have a missile defense system surrounding Moscow; they've had it since 1972. (inaudible) Glad to know the Russians were present at the creation.

Q: On Kosovo, as an issue between Russia and US. Do you think it's feasible to implement the Ahtasaari plan?

U-S Burns: I don't think we'll see a unilateral declaration of independence that would be separate from what Kosovo supporters are trying to do. I think the Kosovar authorities trust us and know that we're operating in the best interests of the people of Kosovo. Here's what I think. There's an overwhelming majority in Europe for independence. There's an overwhelming majority on the Security Council, at least 11 countries are

supporting it. The Russians are quite isolated. We're going to try to get a resolution from the Council. If that doesn't work, we'll try some other way. But I'm confident that Kosovo will become independent. Our Kosovo negotiator, Frank Wizner, is in Pristina today to assure President Fatmir Sejdiu and Prime Minister Agim Ceku that we are with them, that they need to keep the situation calm on the ground and give diplomacy time to work. But the Russians aren't going to be able to block this. They will not be able to block this. That's my prediction.

Q: Iceland now says it regrets the Iraq war. Do you feel Iceland is supportive of your efforts in Iraq?

U-S Burns: I answered this at the press conference with the Prime Minister and Foreign Minister standing beside me so I don't want to say anything differently now than I did then. I would say this: we have a different view. We went in there. We believe we are performing positive services for the government and people of Iraq. But, we also live in a democratic Alliance. It's not the Warsaw Pact. Every country has a right to its own views and we respect that. We have too much that's positive in the relationship and too much trust between the US and Iceland for this to become a major issue. It's not a major issue. In fact, it seems to be a statement that speaks about what happened four years ago. I'm more concerned as a diplomat about what's happening today. What's happening today is that when I had my discussions with the Foreign Minister and Prime Minister, I did not sense that they were opposed to what we are doing to try to stabilize Iraq in 2007. So, the great thing about NATO is it's not the Warsaw Pact. When Russia ran the Warsaw Pact, it would tell all the members of the Warsaw Pact 'this is what you believe; this is what you are going to say.' Thank goodness, we have an Alliance where we don't dictate to Reykjavik and Reykjavik doesn't dictate to us. But on 90 percent of the questions, we get along. That's good enough for me. It really is. So, I'm not too concerned about this, but I guess you guys are.

Q: Does the US support Iceland in its bid for a seat on the UNSC?

U-S Burns: We have this very nuanced position on Iceland's bid. Not every question lends itself to a 'yes' or 'no'. Sometimes questions are more subtle than that. We have a tradition in the United States of never discussing publicly who we vote for, for UN positions, not just for the UN Security Council but for various other commissions of the UN. So, we never say, for instance, 'we're going to vote for Britain for this or Iceland for this or France for that'. We just don't do it. So, I explained this today to the press. But what I did say is that we welcome Iceland's candidacy because Iceland is a democratic ally of the United States. It's a very practical country with great values. And Iceland supports the UN. So, we welcome the candidacy, and we wish Iceland well in its candidacy. And I had told the Prime Minister that in a meeting and the Foreign Minister, privately, but I think I raised it with them rather than them raising it with us. But I don't want to mislead you. We have not made a decision as to who we'll vote for. There are three candidates for two positions, unfortunately. Once we do make a decision, we will never talk to the press about it in the United States or here. But we have great admiration

for Prime Minister Haarde and for his government so it's a good thing they want to run for the Security Council. We wish them well.

End of policy roundtable